



INTERNAL GOVERNMENT REVIEW OF AGENCIES

ASSEMBLY OFFICE OF RESEARCH

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Established in 1966, the Assembly Office of Research (AOR) brings together legislators, scholars, research experts and interested parties from within and outside the legislature to conduct extensive studies regarding problems facing the state.

Under the director of the Assembly's bipartisan Committee on Policy Research, AOR investigates current state issues and publishes reports which include long-term policy recommendations. Such investigative projects often result in legislative action, usually in the form of bills.

AOR also processes research requests from Assemblymembers. Results of these short-term research projects are confidential unless the requesting legislators authorize their release.

MAJOR PROJECTS:

Measuring the Clinical Outcomes of Care Delivered in California Hospitals (April 1991) was prepared pursuant to House Resolution 70 (Bronzan), adopted by the Assembly in 1990. Concerned about assessing the quality of care in California's hospitals, the legislature considered implementing a program that would allow for interhospital comparisons based on patient outcomes. The debate over how such a program should be formulated and implemented led to the adoption of HR 70, which directed AOR to analyze the following three issues: (1) whether the quality of hospital care may be determined by analyzing the clinical outcomes experienced by patients; (2) which of the "severity systems" (which adjust for differences in the severity of patients' illnesses) is most useful in determining the quality of care patients receive in hospitals; and (3) whether comparing patient outcomes according to the severity-adjustment model is a good interhospital indicator of quality of care.

The report concludes that valid statistical methods exist which permit "strong inferences" to be made about the quality of hospital care. The basic methodology involves comparing the actual clinical outcomes experienced by patients with the same conditions and procedures to the expected outcomes of care, after making statistical adjustments for differences in the sickness of patients at admission.

AOR notes that none of the severity systems currently in use were formulated specifically for interhospital compar-

isons, and none have proven to be consistently superior. Rather, the severity systems are largely aimed at aiding an analysis of internal quality assurance. According to AOR, each system analyzed poses limitations for use on a statewide basis.

The report poses three possible choices for measuring the quality of care in California hospitals. First, the state could delay action while it waits for existing severity systems to be improved and their adaptability to interhospital comparisons proven. Second, the state could adopt one of the existing severity systems and modify it as improvements are made. Third, California could formulate its own Outcomes Assessment Program using Office of Statewide Health Planning and Development (OSHPD) data and some additional clinical data to measure the quality of care for a limited number of conditions and procedures.

The report contains the recommendation of two prominent California health researchers that the state adopt the third option and set up a California Outcomes Assessment Program. Since OSHPD already collects extensive discharge data, an effective program could be founded on that base. Establishing such a program would require augmentation of OSHPD's budget. OSHPD is fully funded by user fees imposed on hospitals' operating revenues. The legislature has set a statutory cap on the assessment at .035%; the current assessment is .031%. AOR concludes that full program implementation may require an increased statutory cap.

AOR's report concludes that establishing a "carefully designed and selectively applied state outcomes assessment program" is likely to be the most reliable method of analyzing the quality of care in California's hospitals.

SENATE OFFICE OF RESEARCH

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Established and directed by the Senate Committee on Rules, the Senate Office of Research (SOR) serves as the bipartisan, strategic research and planning unit for the Senate. SOR produces major policy reports, issue briefs, background information on legislation and, occasionally, sponsors symposia and conferences.

Any Senator or Senate committee may request SOR's research, briefing, and consulting services. Resulting reports are not always released to the public.

MAJOR PROJECTS:

Who'll Take Care of Mom and Dad?—Improving Access to Long-Term Care Services (March 1991) reports that no organized delivery system of services exists to meet the needs of persons with functional impairments, nor does there exist an organized system of support services for families and friends attempting to care for a functionally impaired member of the household. Additionally, the report notes that the elderly and functionally-impaired (long-term or permanently disabled) population in the state is increasing rapidly. Further compounding this problem, many elderly persons are led to believe that Medicare or Medicare supplemental insurance coverage (so-called "Medigap" policies) will provide sufficient protection for long-term care expenditures; in reality, these programs are generally not available to fund custodial long-term care. The report estimates that, in the aggregate, Medicare pays for only 6% of patient care in California nursing homes, and 15% of home and community-based care; Medigap and long-term care insurance provide less than 4% of long-term expenditures.

SOR's report notes that some public support for long-term care needs is available through Medi-Cal, which pays for nursing home care and, in a limited number of cases, home and community-based care and the In-Home Supportive Services (IHSS) program. However, these programs are available only after persons needing services have exhausted their resources.

In addition, many non-elderly households are not privately insured to protect against the cost of long-term care expenditures which may arise from a catastrophic injury or illness such as Alzheimer's disease. As a result, out of a total of \$7.9 billion in 1986 statewide expenditures for formal long-term care, \$3.1 billion was out-of-pocket expenditures (not including the value of informal care from friends and family).

Finally, the SOR report criticizes the limitations of existing long-term care programs, concluding that access to most state-administered home and community-based long-term care programs is significantly restricted by eligibility, geographical access, and funding constraints. It also notes that the fragmentation of existing services further impedes access to available programs. Additionally, SOR reports that anomalies in the eligibility rules for some services discourage even those for whom the services were intended.

In addressing potential remedies to the problem, the report states that incremental reforms are most feasible. For